

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

ATAIN SPECIALTY INSURANCE COMPANY,)	
)	
)	C.A. NO.: 20-cv-208
)	
Plaintiff,)	Electronically Filed
)	
vs.)	
)	
ASAD ALI LLC, ELLEN DEGNAN,)	
A1 PETROLEUM LLC and SWAIBAH HASSAN)	
LLC)	
)	
Defendants.)	

COMPLAINT

INTRODUCTORY STATEMENT

This is a Declaratory Judgment action brought pursuant to 28 U.S.C. sec. 1332 in which the Plaintiff, Atain Specialty Insurance Company (“Atain”), seeks a declaration that it is not obligated to defend and/or indemnify its insured, Asad Ali LLC, nor any other party, with respect to a Rhode Island Superior Court personal injury lawsuit brought by Ellen Degnan (“Degnan”) against Asad Ali LLC, A1 Petroleum LLC and Swaibah Hassan LLC. Atain asserts that the applicable Commercial General Liability Policy imposes a Tenants and Lessees Insurance Warranty on Asad Ali LLC which requires that “General Liability insurance coverage for “bodily injury”, “property damage” “personal and advertising injury” and medical payments shall be required from all tenants and lessees renting or leasing space in any insured premise owned or controlled by any insured.” The Warranty further provides that “[i]n the event of a failure to comply with any of the terms of this warranty then the carrier shall have no duty to defend or indemnify the insured relative to “bodily injury”, “property damage”, “personal and

advertising injury” or medical payments arising out of any operations or activities of tenants or lessees or in connection with any premises rented or leased by tenants or lessees.” Atain has confirmed that the tenant, A1 Petroleum LLC has failed to obtain liability insurance coverage and thus Asad Ali LLC has failed to satisfy a condition precedent to coverage. As such, Atain is not obligated to provide Asad Ali LLC with a defense or indemnification pursuant to the terms and conditions of the Commercial General Liability policy.

PARTIES

1. The Plaintiff, Atain Specialty Insurance Company (“Atain”), is a Michigan Corporation with a usual place of business at 30833 Northwestern Highway, Farmington Hills, Michigan.
2. The Defendant Asad Ali LLC is a Rhode Island limited liability company with a usual place of business and registered agent located at 74 Friendship Street, Westerly, Rhode Island.
3. The Defendant A1 Petroleum LLC is a Rhode Island limited liability company with a principal place of business located at 861 Main Road, Tiverton, Rhode Island.
4. The Defendant Swaibah Hassan LLC is a Rhode Island limited liability company with a principal place of business located at 861 Main Road, Tiverton, Rhode Island.
5. The Defendant Ellen Degnan is a resident of Johnston, Rhode Island.

JURISDICTION AND VENUE

6. Jurisdiction is proper pursuant to 28 U.S.C. sec. 1332 in this Court because the Plaintiff and the Defendants are citizens of different states and the amount in controversy, exclusive of costs and interests, exceeds the sum of \$75,000.00.
7. Venue is properly laid in this judicial district because the events giving rise to the claims set forth in this Complaint occurred in this district, Plaintiff’s insured conducts business in the district and the relevant acts and omissions as alleged occurred in this district.

FACTS

8. Atain issued a Commercial General Liability policy for the period of October 22, 2017 through October 22, 2018, for claims made within the respective policy period, to the Defendant Asad Ali LLC. A true and accurate copy of the Atain policy is attached hereto as **Exhibit 1**.

9. The policy contains a **Tenants and Lessees Insurance Warranty** which provides:

The Insured hereby represents and warrants that General Liability insurance coverage for “bodily injury”, “property damage” “personal and advertising injury” and medical payments shall be required from all tenants and lessees renting or leasing space in any insured premise owned or controlled by any insured.

In the event of a failure to comply with any of the terms of this warranty then the carrier shall have no duty to defend or indemnify the insured relative to “bodily injury”, “property damage”, “personal and advertising injury” or medical payments arising out of any operations or activities of tenants or lessees or in connection with any premises rented or leased by tenants or lessees.

The above warranty shall not apply to residential or habitation tenants or lessees.

10. The Defendant Degnan has filed a personal injury action in the Providence Superior Court captioned *Ellen Degnan v. Asad Ali LLC, et. al.*, Civil Action No.: 2020-01814 (“State Court action”) asserting negligence claims against Asad Ali LLC. A true and accurate copy of the State Court complaint is attached hereto as **Exhibit 2**.
11. In connection with the State Court action, Atain is providing the Defendant Asad Ali LLC with a defense, under a reservation of rights.
12. Asad Ali LLC has failed to comply with the Tenants and Lessees Insurance Warranty as A1 Petroleum LLC did not obtain liability insurance in accordance with the terms and conditions of the policy.
13. Asad Ali LLC’s failure to ensure that A1 Petroleum LLC obtained liability insurance coverage is a condition precedent to Atain’s coverage obligations in the State Court action.
14. Accordingly, Atain seeks a declaration from this Court that Asad Ali LLC by failing to ensure that A1 Petroleum LLC obtained liability insurance coverage failed to comply with a condition precedent to coverage and, thus, Atain owes neither a defense nor indemnity to Asad Ali LLC.

COUNT I

DECLARATORY JUDGMENT PURSUANT TO 28 U.S.C. SEC. 2201-02

15. Atain incorporates herein the allegations of paragraphs 1-14.
16. Atain has presented an actual controversy within the jurisdiction of this court with respect to Atain's obligation to provide the Defendants with a defense and/or indemnity pursuant to the Commercial General Liability Policy Atain issued to Asad Ali LLC.
17. Atain seeks a Declaratory Judgment that Asad Ali LLC by failing to ensure that A1 Petroleum LLC obtained liability insurance coverage failed to comply with a condition precedent to coverage and Atain owes neither a defense nor indemnity to Asad Ali LLC.

WHEREFORE, Atain requests that this Honorable Court declare that Atain has neither a duty to defend nor a duty to indemnify Asad Ali LLC, or any other party, for the claims made against Asad Ali LLC, as set forth in *Ellen Degnan v. Asad Ali LLC, et. al.*, Providence Superior Court, Civil Action No.: 2020-01814.

Respectfully Submitted,
Atain Specialty Insurance Company
By Its Attorneys,

/s/ Matthew W. Perkins
Matthew W. Perkins, No. 6097
Lecomte, Emanuelson and Doyle
Batterymarch Park II, One Pine Hill Drive
Suite 105, Quincy, MA 02169
(617) 328-1900
mperkins@lecomtelaw.com

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